

Management Reporting Under the Inspector General Act Amendments

The Inspector General Act Amendments of 1988 require explanations for all audit reports with recommendations open for more than one year. DOL management and audit communities agree that some of these audit resolutions will require several years to complete the corrective action. As of September 30, 2002, 66 audit reports have been open for over one year. The total value of open audits of \$67.3 million covers 498 separate recommendations.

The table below demonstrates that many of the reportable audits and recommendations that are over one year old are not under the direct control of and cannot be closed by the Department. Auditees have certain rights to appeal audit decisions made by the Office of Inspector General (OIG), including appeals to an Administrative Law Judge or a Federal Circuit Court of Appeals. Audits are not considered closed simply because the claim is being appealed and sent forward for further action. DOL agencies and the OIG jointly manage and update an audit tracking system where the current status of each open audit is maintained. Final closure of the audit is determined only by final decisions of the reviewing officials. Many of these decisions take years before being rendered and the audit closed.

The most significant of the non-monetary open audit findings are discussed in this report. A listing of all open audits is available upon request from the Department's Office of the Chief Financial Officer.

2001 AUDIT SUMMARY AS OF 9/30/2002 (\$ IN THOUSANDS)

AFFECTED ACCOUNTS IN 66 AUDITS WITH 498 RECOMMENDATIONS OVER ONE YEAR OLD	\$67,307
LESS:	
VALUE OF 24 OPEN RECOMMENDATIONS UNDER ADMINISTRATIVE LAW OR FEDERAL COURT APPEAL	18,055
FUNDS PUT TO BETTER USE	12,409
AMOUNTS REFERRED OR IN PROCESS OF REFERRAL TO THE DEPARTMENT OF TREASURY	2,704
BALANCE OF 66 OPEN AUDITS	\$34,139